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SB 380 An Act Concerning a Study of State Tax Policies

SB 381 An Act Concerning a Study of State Revenue Collections

SB 382 An Act Concerning a Connecticut New Market Tax Credit Program

SB 383 An Act Increasing the Applicable Percentage of the Earned Income Tax Credit

HB 5403 An Act Establishing a Child Tax Credit against the Personal Income Tax

HB 5406 An Act Concerning a Study of State Revenue Policies

HB 5407 An Act Concerning Study of State Fiscal Policies

Good afternoon Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman, my Senator, Senator Moore - and the distinguished members of the Finance, Revenue and Bonding Committee.

My name is Callie Gale Heilmann, I live in Bridgeport, CT, I am the President & Co-Director Bridgeport Generation Now - and a member of Recovery For All, a statewide coalition of faith, community, and labor organizations united to eliminate systemic inequalities and rebuild a better Connecticut.

Founded in 2016, Bridgeport Generation Now is a grassroots, resident-led organization with over 300 members. At Gen Now, we build collective power by strengthening civic engagement in ourselves and our communities, using the tools of community organizing to dismantle systemic racism and systemic corruption, so that we can build the just, equitable, and livable city we know is possible!

Thank you for the opportunity to testify in support of SB 380, SB 381 and SB 382, SB 383, HB 5403, HB 5406 and HB 5407.

The 2014 state tax incidence analysis performed by the Department of Revenue Services showed that the bottom 50% of earners contribute 23.6% of their income in taxes, but the top 1% contribute only 7.5%. The long anticipated follow up report released earlier this month shows that low-income households have lost ground since 2014. They now pay up to 26% of their income in taxes. Middle income households are also paying more - as much as 15.5%.

Yet ultra-wealthy families' effective tax rate has remained flat. To put it simply, Connecticut's tax system is even more regressive now than it was in 2014.

As hard as they try, working families and our communities for generations just can't get ahead. I want to tell you about some of our work at Gen Now because it highlights that Bridgeport residents are working together to address the issues here in our city - for the past 6 years, members of Gen Now have testified at municipal budget hearings for more money for our public schools. We've testified at zoning commission hearings to protect green space. We testified at contracts committee meetings to get affordable housing. We've lobbied for city-run mobile crisis intervention teams and more mental health and addiction support services. We've advocated for equitable ARP and COVID relief budgets. We've organized against political corruption and for a better democracy. We do this work because it strengthens ourselves, our community, and our future.

But then why is Bridgeport - a city of 148,000 people, that is 70% Black and brown residents - seemingly perpetually burdened with high property taxes, underfunded schools, high costs of housing, concentrated poverty, community gun violence, police violence, pollution, and other social injustices?

I know you understand that it's because our systems - through laws and policies - were designed through economic policies that reinforce gains, inherited wealth, and opportunity hoarding for predominantly white, high-wealth communities at the expense of our working class communities and communities of color.

And if you understand that it was designed this way - then you understand that it can be re-designed to create different outcomes. Economic relief - and the recovery we need - is more than election-year tax cuts.

You passed a comprehensive, progressive revenue package in 2021. I'm asking you to do that again to give low- and middle-income earners a fighting chance to thrive. No one should be forced to live in constant survival mode. That's not who we are.

SB 383 and HB 5403 would begin a Recovery For All by providing immediate and permanent relief to those who need it most. The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are financial lifelines for low-income individuals and families. Their potential impacts are staggering, greatly reducing poverty for working individuals and families and preventing millions of others from being pushed into poverty in the first place. Each is an equitable, long-term solution that also reduces racial disparities, builds financial security and creates economic opportunities of economic mobility for all. Together, permanently raising the Earned Income Tax Credit (EITC) to 41.5% and pairing it with the CTC, will allow working families to make ends meet, provide for their children and save for a rainy day. These are win-win proposals and I urge members of the Committee to give them your full support.

SB 380, SB 381, HB 5406 and HB 5407 are study bills. The 2022 tax incidence report I noted earlier gives you the information you need to enact transformative change. It's essentially a roadmap for how to enact that change. Studies take time and can delay progress. We encourage the Committee to act quickly to provide relief to those who are hurting.

SB 382 has the potential to change the face our struggling communities by stimulating economic development in ways that create good jobs, expand access to healthy foods in food deserts and making environmental improvements. We think this proposal will strategically incentivize the kinds of investments-in-place that build wealth, reduce income inequality and contribute to economic growth in underserved communities. We encourage the Committee to support this creative approach to build equity.

The scale of Connecticut's inequality and the pandemic's economic devastation demands a bold response—people are suffering, and our state has a responsibility to meet their needs. We have an unprecedented opportunity to stop the hurt so many families are feeling by funding relief measures and essential services, reducing economic and racial inequality, and setting our state on a path to robust economic recovery by restoring fairness to our tax code.

It's time to reimagine our relationships to each other. Our humanity is bound together. Let's get to work! Thank you for the opportunity to testify.

Sincerely,
Callie Gale Heilmann
Bridgeport Generation Now